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16 **UNITED STATES BANKRUPTCY COURT**

17 **FOR THE DISTRICT OF NEVADA**

18 In re:
19 TURNBERRY/MGM GRAND TOWERS, LLC,
20 Affects this Debtor.

Case No.: 15-13706-abl
Chapter 11

**JOINTLY ADMINISTERED UNDER
CASE NO.: 15-13706-abl**

16 In re :
17 TURNBERRY/MGM GRAND TOWER B, LLC,
18 Affects this Debtor.

Case No.: 15-13708-abl
Chapter 11

19 In re :
20 TURNBERRY/MGM GRAND TOWER C, LLC
21 Affects this Debtor.

Case No.: 15-13709-abl
Chapter 11

Scheduled Hearing:
Date: August 31, 2015
Time: 9:30 a.m.

23 **DECLARATION OF DR. KENNETH W. WILES IN SUPPORT OF THE MOTION FOR
24 ORDER AUTHORIZING MAINTENANCE OF PREPETITION BANK ACCOUNTS**

25 I, Dr. Kenneth W. Wiles, hereby declare as follows:

26 1. I, through my wholly owned entity Andare Corp, am the manager of
27 Turnberry/MGM Grand Towers, LLC (the “Tower A Debtor”), a Nevada limited liability
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1 company, Turnberry/MGM Grand Tower B, LLC (the “Tower B Debtor”), a Nevada limited
 2 liability company, and Turnberry/MGM Grand Tower C, LLC (the “Tower C Debtor,” and
 3 together with the Tower A Debtor and the Tower B Debtor, the “Debtors”), a Nevada limited
 4 liability company, debtors-in-possession.

5 2. Except as otherwise indicated, all facts set forth in this declaration are based upon
 6 my personal knowledge of the Debtors’ operations and finances, information learned from my
 7 review of relevant documents, and information supplied to me by other members of the Debtors’
 8 management and the Debtors’ various business and legal advisors.

9 3. I make this declaration in support of the *Motion for Order Authorizing*
 10 *Maintenance of Prepetition Bank Accounts* (the “Motion”).¹ If called upon to testify as to the
 11 content of this Declaration, I could and would do so.

12 4. The Debtors are developers of high-rise condominium towers commonly referred
 13 to as The Signature Towers. The Signature Towers consist of three towers referred to as “Tower
 14 A,” “Tower B,” and “Tower C,” each containing 576 units, for a total of 1,728 units.

15 5. The Signature Towers’ condominium units were sold to individual owners who at
 16 all times could and can use their units in any manner they chose, including, but not limited to
 17 renting out their units or residing in their units full time.

18 6. The Debtors are each Nevada limited liability companies, created to develop the
 19 three Signature Towers. Each Debtor has two members: (1) a member that is affiliated with
 20 Turnberry group of entities (“Turnberry”), and (2) a member affiliated with MGM Resorts
 21 International (“MGM”). Each member has a 50% economic interest in the particular Debtor.
 22 Specifically, Turnberry/Harmon Ave. LLC and MGM Grand Condominiums, LLC are the
 23 members of the Tower A Debtor; Turnberry/Harmon Ave. B LLC and MGM Grand
 24 Condominiums II, LLC are the members of the Tower B Debtor; and Turnberry/Harmon Ave. C
 25 LLC and MGM Grand Condominiums III, LLC are the members of the Tower C Debtor. Each
 26 Debtor was formerly managed by the Turnberry-affiliated member.

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28 ¹ All capitalized terms not defined herein are as defined in the Motion.

1 7. Prior to and since the Petition Date, Andare Corp (“Andare”),² which is my solely
 2 owned company,³ is, and has been, the independent manager for each of the Debtors. Andare
 3 has broad managerial powers and independent control over the Debtors. In fact, neither of
 4 Debtors’ members has authority to replace Andare as Debtors’ manager except upon (i) my
 5 death, incapacity, or resignation from Andare; (ii) Andare’s resignation as Debtors’ manager; or
 6 (iii) for cause based on the gross negligence, willful misconduct, or breach of any obligation of
 7 Andare under its Engagement Letter as determined by a final, non-appealable order of a court of
 8 competent jurisdiction.

9 8. At the time of the initial sale of units within The Signature Towers
 10 (approximately 2004-2006), the Las Vegas real estate market was extremely active, with
 11 significant increases in real estate prices being realized on an annual (and in many cases,
 12 monthly or quarterly) basis.

13 9. Shortly after the completion of the third Signature Tower, the “Great Recession”
 14 struck, pummeling Las Vegas’ economy and devastating the city’s real estate market. The
 15 Debtors were among its many victims.

16 10. After prices of Las Vegas real estate declined dramatically, with condominium
 17 units being particularly hard hit, and hotel occupancy rates plummeting in what has been one of
 18 the worst economic declines in the past century, a number of individuals and entities who had
 19 purchased units in The Signature Towers filed suit seeking to rescind their real estate contracts,
 20 alleging the condominium units were sold to them as “securities.” Since then, litigation has been
 21 pursued in Nevada’s Eighth Judicial District Court, the Nevada Federal District Court, the
 22 Nevada Supreme Court, this Court, the Ninth Circuit Court of Appeals, and the United States
 23 Supreme Court.

24 11. In 2004 and 2005, Debtors caused Bank of America to issue the following letters
 25 of credit for which ACE is the beneficiary: (i) on September 27, 2004, the Tower A Debtor

26 ² Andare is a corporate financial advisory, valuation, restructuring, expert witness and consulting firm. The firm
 27 engages with senior management teams and Boards of Directors to drive operational improvements and apply new
 working methods to underperforming or distressed companies.

28 ³ My extensive experience and independence is discussed in detail in my declaration filed at ECF No. 23.

1 caused Bank of America, N.A. ("Bank of America") to issue letter of credit number 3065725 in
 2 the amount of \$1,262,400, which letter of credit had a balance of \$869,220 on the Petition Date;
 3 (ii) on December 1, 2005, the Tower B Debtor caused Bank of America to issue letter of credit
 4 number 3078832 in the amount of \$568,080, which letter of credit had a balance of \$568,080 on
 5 the Petition Date; and (iii) on November 21, 2005, the Debtor Tower C caused Bank of America
 6 to issue letter of credit number 3065725 in the amount of \$1,161,700, which letter of credit had a
 7 balance of \$62,700 on the Petition Date (collectively, the "LOCs").

8 12. On the Petition Date, Debtors collectively had four bank accounts with Bank of
 9 America. Three of these accounts are restricted certificate of deposit accounts that secure the
 10 LOCs, being the accounts ending in 3855, 7300, and 0390, which had account balances on the
 11 Petition Date that are consistent with the balances of the LOCs (collectively, the "LOC
 12 Accounts").

13 13. Debtors propose to maintain the LOC Accounts post-petition as they are
 14 restricted, secure the LOCs, and it would be impractical and unnecessarily administratively
 15 burdensome on Debtors to open alternate accounts that satisfy ACE and Bank of America.

16 14. The fourth pre-petition account held at Bank of America is an operating account
 17 ending in 7101 (the "Pre-petition Operating Account"), which was the account from which
 18 Debtors issued checks and paid expenses pre-petition. After the Petition Date, the Pre-Petition
 19 Operating Account was closed and Debtors opened a debtor-in-possession account at Wells
 20 Fargo Bank, N.A. (the "DIP Account"). The DIP Account will be the account that Debtors use
 21 for receiving all income and financing and paying all expenses.

22 I declare under penalty of perjury of the laws of the United States that these facts are true
 23 to the best of my knowledge and belief.

24 DATED this 30th day of July, 2015.

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 26 DR. KENNETH W. WILES
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